

that in terms of Section 45MA(3) of the RBI Act, 1934, RBI is empowered to cause special audit of NBFCs and the Bank may appoint auditors to conduct special audit of NBFCs and direct the auditors to submit the report to the Bank. Accordingly, the Board for Financial Supervision has recently approved the proposal for special audit of NBFCs with asset size of Rs. 5 crore and above. The inspection by special auditors will be done as a onetime exercise in view of the need to have detailed assessment of the asset side of NBFCs.

[English]

Export of Tea to Russia

1636. SHRIMATI SARADA TADIPARTHI :

SHRI SURESH PRABHU:

SHRI R. SAMBASIVA RAO:

Will the Minister of COMMERCE be pleased to state :

- (a) the estimated annual export of tea to Russia;
- (b) whether the export of tea to Russia is expected to be reduced drastically due to recent steep hike in duty on imported packaged tea by the Russian Government;
- (c) if so, the details thereof alongwith the reaction of the Government thereto; and
- (d) the steps proposed to be taken by the Government to see that Indian tea export to Russia does not put hard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) The estimated export of tea to Russia in 1996-97 was 42.03 mn.kg. valued at Rs. 297.16 crore.

(b) and (c) Under a new resolution enacted by Govt. of Russia and announced by Russian State Customs Committee on 30.4.1997, Customs Duty on import of all packets teas (both black & green) was increased from existing rate of 10% to 20% w.e.f. 1st June, 1997.

The Increase in duty is likely to affect packet tea imports into Russia from major exporting countries including India.

(d) The Russian authorities have been requested to review, the Increase in customs duty on packet tea so that export of packet tea from India is not adversely affected.

Export Committee Under DGFT

1637. SHRI ANNASAHIB M.K. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have set up any Export Committee under DGFT to recommend measures to boost the exports by small scale units as outcome of the

sluggish export performance at small scale sector in the recent period;

(b) if so, the details thereof and the measures proposed to be taken to harness huge export potential of small scale sector;

(c) the details of action plan worked out for 1997-98 for boosting the export performance; and

(d) the steps taken to strengthen Regulatory Monitoring mechanism to ensure that the financial exchanges under various schemes are not misused?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) A Core Group on exports in the small scale sector has been set up under the Chairmanship of DGFT on 1.7.97. The Core Group has members from the government, trade and industry. The first meeting of the Core Group will be held shortly.

(c) Based upon the recommendation of the Core Group, an action plan would be drawn up for promotion of exports from SSI sector;

(d) A number of offices of DGFT have been computerized. Steps have been taken to computerize the offices have not been computerized so far. Regular monitoring under various schemes is being carried out.

Rehabilitation of Indian Bank

1638. SHRI BASU DEB ACHARIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have finalised rehabilitation package of Indian Bank;

(b) if so, the details thereof, and

(c) whether the Indian Bank has improved its performance during 1996-97?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) No, Sir. Indian Bank has prepared a draft strategic Revival Plan. Scrutiny of the Revival Plan has been initiated with a view to its finalisation.

(c) The balance sheet of the Indian Bank for the year 1996-97 has not yet been published. RBI has given Indian Bank time till 15th August 1997 for publishing the balance sheet for 1996-97.

Foreign Exchange for Shipping Sector

1639. SHRI P.R. DASMUNSI : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to earmark foreign exchange annually for the acquisition of ships;

(b) if so, the details thereof;

(c) whether gross borrowings under external commercial borrowings were 3.9% but the allocation to the shipping industry was less than 4% during 1995-96;

(d) if so, the reasons therefor;

(e) whether the shipping sector is no longer getting adequate support from the Government in raising their funds either by way of direct loans or guarantees;

(f) if so, whether any final decision for foreign exchange funds for the shipping sector has been taken; and

(g) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) No, Sir.

(b) Does not arise.

(c) and (d) Approval under External Commercial Borrowings to the Shipping Sector during the last 3 years are as under;

Year	Amount (in USD Million)
1995-96	105.404
1996-97	145.880
1997-98	83.120 (upto 30.6.97)

(e) No, Sir.

(f) and (g) Does not arise.

Investment of Indian Corporates in Abroad

1640. SHRI PRABHU DAYAL KATHERIA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Union Government have recently liberalised the norms governing Indian Corporates investments abroad;

(b) if so, the details thereof; and

(c) the benefits likely to accrue to our country as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) Yes, Sir. In addition to the existing fast track route under which the RBI issues approvals for proposals of Overseas Investments upto US \$ 4 Million on the basis of export track record, Govt. have introduced two new fast track routes for Overseas Investments in Joint ventures and wholly owned subsidiaries abroad by Indian Companies where the investment is funded out of Exchange Earner's Foreign Currency (EEFC) Account upto a maximum of US \$ 15 million and for investments upto 50% of Global Depository Receipts (GDRs) raised with the Govt's approval.

Investment from balances in EEFC accounts would be permitted by Authorised Dealers (ADs). The ceiling of US \$ 15 million is inclusive of the ceiling of US \$ 4 million under the existing fast track. Investments under the two new fast track routes would also not be subject to the obligation of neutralising investment amount through inward remittances over five years.

(c) The above liberalisation has been announced with a view to encouraging Indian corporates to globalize, and in the line with the Govt's policy to move towards capital account convertibility.

DGFT's Instructions to Banks

1641. SHRI V.V. RAGHAVAN : Will the Minister of COMMERCE be pleased to state :

(a) whether the Director General of Foreign Trade (DGFT) has written to all banks seeking data and names of exporters who have failed to repatriate proceeds and bring in foreign exchange;

(b) if so, the details of the data received so far by the DGFT; and

(c) the action taken against the errant exporters?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) to (c) Recently the Central Economic Intelligence Bureau (CEIB), Ministry of Finance have reported that a number of exporters have not repatriated their export proceeds on the basis of information received by them.

DGFT have immediately issued instructions to its Regional Licensing Authorities to obtain necessary details from Regional RBI Authorities and investigate the matter for taking appropriate action.

The exporters who are found to have defaulted in repatriating their export proceeds within the time specified by the RBI, shall be liable to action, *inter alia*, under Foreign Trade (Development & Regulation) Act, 1992, as stipulated in Para 11.3 of the Export & Import Policy 1997-2002.

Produce of Bivoltine Silk

1642. SHRI K.C. KONDAIAH : Will the Minister of TEXTILES be pleased to state :

(a) whether JICA in Japan has selected some districts in Karnataka to produce special bivoltine silk;

(b) if so, the names of the districts selected alongwith the amount of assistance provided to produce special bivoltine silk in these districts; and

(c) the number of silk weavers likely to be benefited in these districts from the Bivoltine Sericulture Development Project Phase II of JICA, Japan in Karnataka ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) Yes Sir.